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BACKGROUND OF THE CENTRAL INTELLIGENCE AGENCY

1. The conception of a centralized foreign intelligence agency for the United States Government grew out of experience acquired in World War II when the lack of coordination between the various departmental and other intelligence services seriously handicapped the military effort. The organization which was established by the President's directive of 22 January 1946 was the result of prolonged study on the part of the various interested departments and agencies. The form of the directive establishing the National Intelligence Authority and the Central Intelligence Group, was suggested in a draft unanimously concurred in by the Secretaries of State, War and Navy which was submitted to the President on 7 January 1946.

2. The form of the Secretaries' draft was greatly influenced by the report of a War Department committee headed by Assistant Secretary Lovett. This committee had held extensive hearings during October 1945 and had received numerous recommendations concerning the future foreign intelligence activities of the U.S. Government. One of these recommendations, submitted by the Strategic Services Unit, presented so clearly the reasoning behind the central intelligence agency concept

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that it is worthy of study by anyone to whom the idea is in any degree novel. What follows is taken from that paper for the Lovett Committee, with minor revisions.

5. The need for a central foreign intelligence service has long existed, but it has been heavily underscored by the national experience during the past four years. Looking toward the future, the situation becomes even more acute in view of the implications of the pivotal position which the United States occupies in foreign affairs and the incalculable consequences of the release of atomic energy. The Government of the United States cannot afford to rely, as it has in the past, on information provided by other governments unless that information is subjected to the keenest scrutiny for evidence of bias or self service. Nor can it depend entirely upon the haphazard contributions of its own departmental intelligence services, whose major functions are to service the departments to which they belong rather than the needs of the Government as a whole. It is essential that the product of all sources of foreign intelligence which are available to the Government should be coordinated in a central agency through which it may be made available to the different departments of the Government with the least possible delay and in the form most likely to be of immediate value in the formulation of policy.

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4. Regarding the broad functions, responsibilities and composition of the central intelligence unit, the essential elements may be summarized briefly in the following six major points:

1. Organization and control. The national foreign intelligence organization must be regarded, and effectively serve, as the instrument of any and all parts of the national government concerned with national security or foreign policy. Since it is the Departments of State, War and Navy which are most directly and immediately concerned in these matters, it is appropriate that they should coordinate the foreign intelligence activities of the Federal Government and exercise joint supervision over such a national foreign intelligence organization.

The question will undoubtedly be raised as to why such an organization cannot be ancillary to one or the other of these departments. The major reasons for the insistence upon the independence of the central intelligence agency are four in number:

(a) Every safeguard is required to prevent the agency from becoming an instrument of policy of a single government department. The agency is expected to serve equally and without prejudice all the interested branches of the Government. It might be able to do so if it were attached to one department,

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but experience has shown that those departments having no part in its control would be most likely to feel that their interests were not properly represented.

(b) The agency itself should be completely denied any policy-making function, in order that its objectivity may be preserved and that it may not succumb to the inevitable temptation to tailor its reports to support a policy in which it has an interest. It should be apparent that this danger will be more readily avoided if the central intelligence agency does not find itself a part of a single policy forming department.

(c) Only a separate agency solely concerned with intelligence matters can successfully be the repository of powers and functions delegated to it by all interested departments. It should be immediately apparent that the War Department would be exceedingly hesitant to rely upon a branch of the State Department to obtain on its behalf clandestine intelligence of a military nature. It would be almost inevitable, were the central intelligence agency to be attached to the State Department, that the War Department would feel

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the necessity of conducting its own operations in the clandestine field. If, on the other hand, the intelligence agency should be at least partially responsible to the War Department (which would contribute to its staff of experts), the War Department would be more confident that its needs would be given proper attention and competent handling.

(d) The proper functions of the central intelligence agency include the provision of foreign intelligence to all branches of the Government and it must be in a position to serve them all. Granting the lines which have grown up between the regularly established government departments, the central intelligence functions, involving receipt of intelligence from all departments as well as dissemination of it to all departments, can be successfully fulfilled only where the agency charged with that function is independent of any one of them.

2. Provision for the comprehensive analysis and synthesis of information concerning foreign nations. The present American intelligence system resembles a costly group of factories, each manufacturing component parts without a central assembly line for the finished product. This function of analysis and synthesis by a central intelligence agency represents the assembly line which

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has heretofore been lacking.

All departments and agencies of the Government which collect information concerning foreign nations, whatever may be the manner of collection, should be required to make freely available to the national foreign intelligence organization such part of the information collected in such form as may be required by the central agency. The information thus centralized will be collated, analyzed and incorporated into comprehensive studies. This is not intended to interfere with the appropriate activities of the several agencies now engaged in the collection of such information. It is designed to accomplish the pooling of their product. Such a pooling is necessary in order to bring together for presentation to those charged with responsibility for the national security and for the formulation of foreign policy the comprehensive picture essential to the proper discharge of their responsibilities.

Comprehensive studies of the type required can only be successfully accomplished if all possible material is available from all possible sources. Recent experience has shown that certain sources of information within the Government have been unwilling, for real or imagined reasons of security, pride of ownership, or interdepartmental jealousy,

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to make available the products of their intelligence activities to other departments to which these products were of vital interest. If the central intelligence agency is vested with sufficient authority in its establishment to require the cooperation on the part of individual departments which experience has shown does not occur on a voluntary level, it can approach an optimum capacity for turning out definite studies of value to all departments individually or in functional groups.

Such studies would be made in part at the request of individual departments of the Government. Within the central intelligence agency they would be drawn up by a staff of specialists with wide background and experience drawn from all phases of governmental and civil life and therefore in balance, without departmental or political preoccupation. A large proportion of the studies would deal with fields in which civilians are experts and military men are laymen, and the staff should therefore contain a concentration of the best civilian talent available in the country. Such a staff could not be maintained by any single department of the Government which would be forced to justify the expense involved in terms of its own professional activities.

8. Sole responsibility for the procurement of foreign intelligence by clandestine means. The collection of foreign information by overt means by the Foreign Service of the State

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Department and by military and naval attaches and other agencies of the Government must, of course, continue, but there is important information vital to the security of the United States which cannot be obtained except by clandestine means. Such secret intelligence procurement would include both espionage and counter-espionage.

It is not generally recognized in the United States that the operation of clandestine intelligence is a highly professional pursuit which should be undertaken only by experts. The problem of placing and maintaining agents in foreign countries with proper safeguards, both for the agents themselves and for the information which they secure, is so complex that it must be centralized in one separate operating unit acting on behalf of the United States Government. The professional hazards are such that no country can afford to increase them by permitting uncoordinated clandestine operations to be indulged in by various departments whose normal responsibilities are so great that clandestine operations necessarily constitute a minor interest.

Special facilities in the nature of training, documenting, financing, equipping, and maintaining communications with clandestine agents are all required for the successful

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performance of the clandestine intelligence function. Few, if any, of these are generally available in the intelligence agencies of the Armed Forces and few of these are capable of supporting the experienced staff essential to successful work along these lines. Adequate clandestine intelligence coverage of the world for the United States Government is no small undertaking and requires a concentration of talents and experience on a scale surpassing the probable estimates of any but professionals in the field. Thanks to the unusual experience gained during World War II the United States now possesses a larger nucleus of such professionals than ever before in its history. Even now, however, they are pitifully few in view of the magnitude of the task to be accomplished.

Clandestine intelligence operations involve a constant breaking of all the rules of correct procedure according to which the regular government departments must operate. To put it baldly, such operations are necessarily extra-legal and sometimes illegal. No regular government department, be it War, State or Navy, can afford to house such operations within itself or otherwise identify itself with them. Independence of association with them is therefore essential.

The clandestine intelligence function should be assigned to the central intelligence agency rather than to any separate department of the Government because its service, like that of the analytical branch, will be for the benefit of all departments and will require in even greater degree the

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cooperation of all interested branches. Security requires that clandestine intelligence operations be handled in an agency whose security practices are of a special character. Association of these operations within an agency the functions of which are concentrated upon the processing of intelligence will increase the security by removing the operations from departments containing large numbers of personnel whose activities are in no way related to intelligence. Furthermore, the more or less overt analytical branch of the central agency will provide, in a way, cover for the clandestine operations. The cover of one of the regular departments of the Government might be more satisfactory from the point of view of its overt dissociation from intelligence activities, but such a connection would involve hazards considerably in excess of the advantages to be gained. In particular, it is essential that those departments of government charged with the handling of relations with foreign governments, should be in position to deny with truth that they exercise any control over clandestine intelligence operations.

Such operations to be successful will require the cooperation of various departments of government as need arises. Such assistance will be more freely given to a professional agency of recognized standing in which the departments have a

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participating interest than to one which is wholly under the control of a single department.

4. Concentration on foreign intelligence. The national foreign intelligence organization should not engage in the procurement of intelligence by secret means within the United States. Its clandestine intelligence procurement operations would be concerned with areas outside the United States.

The existence of the central intelligence agency would be a matter of justifiable suspicion if it were subject to the possible criticism that it could be used as a political tool within the country. Complete concentration upon foreign intelligence will make it impossible for any administration to use secret intelligence for its own internal political ends. Whether or not any administration would choose so to use the agency is a question of no importance inasmuch as any administration in power could inevitably be charged by its opponents with so using it.

5. Denial of police power. For reasons related to those discussed in paragraph 4 the national foreign intelligence organization should possess no police power. The alternative would involve the danger of too great a concentration of power for action in the hands of the director of the agency and would tend inevitably to affect the objectivity

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which is one of the major advantages possessed by a central organization as opposed to one more closely associated with a policy-forming department. In addition, the concentration of the central intelligence agency upon foreign intelligence obviates any practical value to the possession of police powers which could only be used within the national boundaries. Any action to be taken as a result of intelligence operations in foreign countries would of necessity be taken by the departments of the Government which are properly concerned with foreign relations.

6. Independent budget. The national foreign intelligence organization should have its own independent budget for reasons which have been hinted at in paragraphs 2 and 3 above. These may be more clearly stated as follows:

(a) The cost of maintaining the central intelligence agency will be considerably in excess of that which could be justified by a government department charged with more specific functions. No money value can be assigned to successful intelligence accomplishments. Budgetary standards of efficiency and economy are therefore not strictly applicable.

(b) The maintenance of a clandestine intelligence service requires certain strict controls on the avail-

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ability of information concerning its expenditures, which are not in accord with usual government practice. Publicizing of amounts paid for the purchase of information, or even of salary lists of foreign operatives, would jeopardize the success and the safety of the operations, which would immediately lose their clandestine nature. It is absolutely essential that the identities of agents abroad, and even in some cases those of operational staff members in the home office, be kept from public scrutiny and that of the exceedingly capable intelligence agents of foreign nations.

The independent budget of the national foreign intelligence organization should therefore be considered by the Congress without detailed or open inquiry into the specific expenditures involved. Experience has shown that such inquiries divulge too great a quantity of information to permit the security of intelligence operations to be adequately maintained. This does not in the least imply that rigorous accounting procedures will not be required within the organization. Quite the contrary is true, but these accounts must be subject to very limited external scrutiny.

5. Under the over-all Government intelligence program, present functions of the departmental intelligence services will be

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maintained with perfect freedom in their own specific fields. These services will, however, be relieved of the necessity for carrying on intelligence operations the results of which are not clearly related to the established functions of the interested department. For example, intelligence not of a strictly military character which is required by the War Department will be immediately available to it through the central intelligence agency in a form more comprehensible, comprehensive, and significant than is presently possible. The superiority of the new system arises from the availability through the central intelligence agency of the intelligence products of all agencies, which products will have been subject to searching analysis and synthesis by experts of the central intelligence agency. These experts, incidentally, may in part be contributed or assigned by the various departments themselves to the central intelligence agency, thus assuring the participation in the staff studies of men indoctrinated in the requirements of the specific departments.

6. In general outline then, the most desirable organization and program for the foreign intelligence activities of the United States Government for the future involves a continuation of the present department services with the addition of a central foreign intelligence unit. To this unit would be delegated some of those functions now carried on, by necessity or choice, by

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the present services but which are not strictly related to their functions. The present departmental services would be expected to continue their operations without change, under the sole limitation that they concern themselves primarily with the overt collection of foreign intelligence peculiar to their respective activities, together with the evaluation, analysis and dissemination of such intelligence. All other functions which could more efficiently be performed centrally for the benefit of the government as a whole would be assigned to the central intelligence agency. Certain of these central functions have in part been described in the previous pages. Others will at once suggest themselves to anyone familiar with the subject of foreign intelligence.

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